



Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

November 10, 2005

The Honorable D. Eugene Cheek
Chief Judge
City of Richmond General District Court
Criminal Division
501 North Ninth Street
Richmond, VA 23219

The Honorable Theodore J. Markow
Magistrate Supervising Authority
Thirteenth Judicial District
400 North 9th Street
Richmond, VA 23219

As part of our audit of the Virginia District Court System, we have audited the cash receipts and disbursements of the City of Richmond General District Court - Criminal Division and the associated magistrates from the Thirteenth Judicial District for the period July 1, 2004 through September 30, 2005.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system and in the Magistrates' records; evaluate the Court's and the Magistrates' internal controls; and test compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; no material weaknesses in the court's internal controls; and no instances of the court's noncompliance with applicable laws, regulations, and policies.

MAGISTRATES

The results of our tests of the Magistrate's Office found that the magistrates properly stated, in all material respects, the amounts recorded in the financial records. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Chief Magistrate needs to address as described below.

Improve Magistrate Accounting Procedures

As noted in our prior audit report, magistrates do not consistently follow proper accounting procedures as outlined in Chapter X of the Magistrates Manual. Specifically, we found:

- Magistrate Norris again failed to reconcile his official checking account or retain bank statements for the months of July 2004 through December 2004. Further, we found that he failed to maintain numerical continuity when issuing receipts for cash bonds. We also found that one manual receipt was missing.

- Reconciling the bank account and properly issuing receipts for cash bonds are fundamental accounting procedures that strengthen internal controls. Magistrate Norris should reconcile his bank accounts monthly and properly maintain and issue manual receipts. Failing to do follow these procedures could lead to errors or irregularities going undetected.
- Magistrate Znotens failed to obtain receipts when transferring cash bonds totaling up to \$13,000 to the district court. Chapter X of the Magistrates Manual requires that magistrates obtain court receipts within ten days of transferring funds to the court. The receipt is the magistrate's record should funds become lost or stolen.

The Chief Magistrate should immediately provide refresher training for magistrates to ensure that they follow proper accounting procedures when handling funds. The Chief Magistrate should also provide supervisory review of magistrate accounting records as needed to ensure compliance with accepted procedures.

We discussed these comments with the Chief Magistrate on November 10, 2005 and we acknowledge the cooperation extended to us by the Court and the Magistrates during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:sks

cc: The Honorable Phillip L. Hairston, Judge
Richard H. Bowling, Clerk
Deborah Meade-Jackson, Chief Magistrate
Paul Delosh, Director of Technical Assistance
Supreme Court of Virginia